USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network
Template Version 2.09

Required Report - public distribution

Date: 8/1/2005

GAIN Report Number: PK5010

Pakistan

Oilseeds and Products

Annual

2005

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Report Highlights:
Pakistan's production of oilseed, meal and oil are all expected to decrease due to late crop sowing, constraints in acquiring quality hybrid seed and bad weather conditions. To meet rising consumer demand, more imports will be necessary. The removal of a taxation anomaly on soybean meal by giving it zero rated sales tax status may increase commercial imports of soybeans in the country. Ghee remains popular and demand for palm oil should remain strong. U.S. concession programs, not used for a few years, are increasing import of U.S. soybeans and related products into the country.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Annual Report
Islamabad [PK1]
[PK]

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Executive Summary

Pakistan is one of the major edible oil importers in the world. Its imports represent the country's fifth highest expenditure on the national exchequer. Oilseeds production is highlighted by the government as an important way of saving scarce foreign exchange. Despite this focus, efforts to increase production have not been very successful for a number of reasons and significant increases appear unlikely in the foreseeable future.

MY 2005/06 oilseeds production is forecast to decrease considerably from previous year by 20 percent on anticipated contraction in cottonseed and rapeseed productivity and 8 percent growth in sunflower planted area. Over the past several years oilseed imports have increased sharply in response to government policy designed to support the domestic solvent extraction industry. The policy intent is to enable local producers to capture the value-added benefits from local meal and oil production, and thereby enhance development of a viable industry necessary to stimulate local oilseed production.

MY 2005/06-meal production is forecast to decrease by 13 percent mainly due to a decreased supply of local cottonseed and rapeseed; however, imported oilseeds and meal will augment local supplies. Local processors had been importing soybeans meal to satisfy growing demand from the poultry sector. However, the announcement of zero rated sales tax status will further encourage import of soybeans. The inclusion rate of soybean meal in mixed feed formulation has increased to 15 percent in response to demand for quality feed in the poultry and livestock sectors.

In MY 2005/06 oil imports are forecast to increase by 7 percent mainly due to increased demand of burgeoning population and the shortage of local oilseeds supplies in the country. Palm oil is the main imported oil. However, growing awareness of the unhealthiness of saturated oil is emerging. A growing number of consumers now prefer liquid oils to 'ghee", but remain dissuaded by price.

OILSEEDS

Production

MY 2005/06 total oilseed production is forecast to decrease by 20 percent over the prior year's output due to late cotton planting, higher than normal replanting and early summer rains/floods.

MY 2004/05 oilseeds production increased to 5.48 MMT mainly due to increased production of cottonseed, sunflower seed and rapeseed driven mainly by acreage shift to these commodities following favorable weather conditions.

Cottonseed:

Pakistan's principle oilseed crop, cottonseed, typically accounts for about 80-90 percent of total domestic oilseed production. Cottonseed is grown primarily for lint, the basic input for Pakistan's important textile industry. Oil and meal are secondary products.

MY 2005/06-cottonseed production is forecast to decrease by about 24 percent over the prior year's output due to late cotton planting and early prevalence of wet weather conditions.

MY 2004/05-cottonseed production increased by 44 percent mainly due to expansion in area, extraordinary favorable weather conditions and record low pest infestation.

Rapeseed:

Traditionally, rapeseed is produced for use in fodder (mixed with wheat straw) and for oil. Domestic rapeseed accounts for 4-6 percent of total oilseed production. The Government's stated goal is to increase production of canola, but so for has made little progress towards achieving this goal during the last few years. Efforts to replace rapeseed and mustard seed with high-yielding canola have not advanced substantially due to lack of timely procurement of good quality seed, low adjustability in cropping patterns, low farm-gate prices and problems in marketing the higher value product.

MY 2005/06-rapeseed production is forecast to decrease by 7 percent due to better prices and procurement incentives offered to wheat and its products, and constraints in availability of quality hybrid seed to farmers.

Sunflower seed:

MY 2005/06 sunflower seed production is forecast to increase by 9 percent due to increased acreage in Sindh Province, higher farm gate prices (over Rs. 670 per 40 Kgs) offered to the growers by the solvent industry.

MY 2004/05 sunflower seed production increased by 25 percent above the previous harvest due to stronger market demand and better returns.

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Government Support

Oilseed production is not encouraged by a support price mechanism and there is no procurement by the state. Several years back the Military government, under a commitment to the Asian Development Bank (ADB), shifted public policy from one of direct price support to one of infrastructure development (i.e., production technology, procurement and market infrastructure). The current government reintroduced the Minimum Guaranteed Price System for major crops, justifying its policy shift as a safeguard measure in the event market prices decline steeply.

The emphasis laid for the concessional import of oilseeds for the development of a viable processing industry has been effective. The industry is now in a position to help the growers increase oilseed production. In MY 2004/05, the solvent extraction industry offered better prices to the sunflower growers, which resulted in increased planting and production in the ensuing year.

Consumption

Pakistan's crushing industry consists of older, inefficient single-function facilities along with newer solvent extraction plants. Industry capacity is estimated at 5 MMT, with older plants holding 3.5 MMT and newer plants holding 1.5 MMT. During the 1990's the solvent extract industry was estimated to have been operating at below 50 percent of installed capacity. With raw material more readily availability thru importation, the solvent industry is now operating at an estimated 75 - 80 percent of installed capacity.

Trade

MY 2005/06 oilseed trade is forecast to expand by 55 percent as crushing margins improve with recent changes to the import duty structure and the significant decrease in domestic cottonseed production. Imports are expected to consist of: rapeseed/canola (600,000 MT), and soybeans (150,000 MT). In June 2003, the GOP exempted all oilseeds from custom duty but imposed a 20 percent sales tax. This action encouraged import of rapeseed and sunflower seed over soybeans because the sales tax applied for the meal by-product differed by commodity. However, this taxation anomaly was resolved and soybean meal was granted zero- rated sales tax status. This will help restart commercial import of soybean in 2005/06. All vegetable oils, however, are assessed a flat 15 percent excise duty. In recent years, U.S. soybeans have entered the market under the U.S. PL-480 and 416(b) programs.

MY 2004/05 oilseed imports were 616 thousand tones, which is less than the previous years imports due to enhanced domestic production. Oilseed were imported mainly due to lower tariffs structure as compared to higher tariffs on meal and oil, which influenced crush margins significantly. Changes allowed the industry (and the economy) to capture the value-added benefits from the local crush, mainly at the expense of imported Indian soybean meal and palm oil. Rapeseed/canola seeds are sourced primarily from Canada and Australia with a small quantity of sunflower-seed. Sunflower seed import, is currently minimal due to higher freight charges accrued on its import. At the same time local production is on the increase due to strong market demand and favor by the solvent industry.

Table 1: Oilseed Imports (MT)

Commodity	MY 2003/04	MY 2004/05	MY 2005/06
Canola/rapeseed	550,000	580,000	750,000
Sunflower seed	149,000	0	0
Soybeans	50,000	36,000	150,000
Total	**749,000**	**616,000**	**900,000**

Table 2. Total Oil seeds Production, Supply and Demand

Commodity: TOTAL OILSEEDS

	2003		2004		2005	
	Official	Estimate	Official	Estimate	Official	Forecast
Market Year Begin		10/2003		10/2004		10/2005
Area Planted	3394	3342	3576	3632	3759	3612
Area Harvested	3486	3342	3666	3622	3759	3462
Beginning Stocks	0	0	0	0	0	0
Production	3660	3855	5268	5408	4213	4312
MY Imports	715	735	532	580	525	900
MY Imp. from U.S.	11	11	10	0	100	100
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	4375	4590	5800	5988	4738	5212
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	3765	4021	5056	5316	4641	4587
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	610	569	744	672	639	625
TOTAL Dom. Consumption	4375	4590	5800	5988	5280	5212
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	4375	4590	5800	5988	5280	5212
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 3. Cotton seed Production, Supply and Demand

Commodity	Oilseed, Cottonseed			(1000 HA)(1000 MT)		
	2003		2004		2005	
	Official	Estimate	Official	Estimate	Official	Forecast
Market Year Begin		10/2003		10/2004		10/2005
Area Planted (COTTON)	3000	3000	3100	3200	0	3150
Area Harvested(COTTON)	3092	3000	3190	3190	3150	3000
Seed to Lint Ratio	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	3290	3290	4797	4727	4150	3600
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	3290	3290	4797	4727	4150	3600
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	2791	2791	4182	4121	3625	3140
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cm.	499	499	615	606	525	460
TOTAL Dom. Consumption	3290	3290	4797	4727	4150	3600
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	3290	3290	4797	4727	4150	3600
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 4: Sunflower-seed Production, Supply and Demand

Commodity	Oilseed, Sunseed				(1000 HA)(1000 MT)	
	2003		2004		2005	
	Official	Estimate	Official	Estimate	Official	Forecast
Market Year Begin		10/2003		10/2004		10/2005
Area Planted	0	0	0	0	0	0
Area Harvested	110	233	184	313	184	350
Beginning Stocks	0	0	0	0	0	0
Production	133	404	228	506	228	550
MY Imports	136	149	10	0	15	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	269	553	238	506	243	550
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	251	535	222	490	228	535
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	18	18	16	16	15	15
TOTAL Dom. Consumption	269	553	238	506	243	550
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	269	553	238	506	243	550
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 5: Rapeseed Production, Supply and Demand

Commodity	Oilseed, Rapeseed				(1000 HA)	
	2003		2004		2005	
	Official	Estimate	Official	Estimate	Official	Forecast
Market Year Begin		10/2003		10/2004		10/2005
Area Planted	0	0	0	0	0	0
Area Harvested	282	107	290	117	300	110
Beginning Stocks	0	0	0	0	0	0
Production	235	159	241	173	260	160
MY Imports	500	550	500	580	500	750
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	735	709	741	753	760	910
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	644	659	647	703	663	860
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	91	50	94	50	97	50
TOTAL Dom. Consumption	735	709	741	753	760	910
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	735	709	741	753	760	910
Calendar Year Imports	635	550	0	580	0	750
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 6: Soybean Production, Supply and Demand

Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	2003		2004		2005	
	Official	Estimate	Official	Estimate	Official	Forecast
Market Year Begin		10/2003		10/2004		10/2005
Area Planted	0	0	0	0	0	0
Area Harvested	2	2	2	2	2	2
Beginning Stocks	0	0	0	0	0	0
Production	2	2	2	2	2	2
MY Imports	79	50	122	36	125	150
MY Imp. from U.S.	11	11	10	0	10	100
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	81	52	124	38	127	152
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	79	50	122	36	125	149
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	2	2	2	2	2	3
TOTAL Dom. Consumption	81	52	124	38	127	152
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	81	52	124	38	127	152
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

OIL MEAL

Production

MY 2005/06 oilseed meal production is forecast to decrease by 10 percent. Key Imported oilseeds will augment local supplies available for domestic processing. The domestic crushing industry traditionally produced a product consisting of 69 percent cottonseed, 16 percent rapeseed, 12 percent sunflower seed and 3 percent soybean. With the removal of the taxation anomaly on soybean meal, its import on a commercial scale is possible during the current year. Import from India does have a comparative advantage, but over the next 3-5 years, the Pakistani feed sector will need to develop alternative sources of soybean meal to meet expanding requirements. MY 2004/05-meal production increased by 29 percent due to enhanced production of oilseeds in the country.

Consumption

MY 2005/06-meal shortages are expected to continue due to higher local demand as competitiveness within and between the poultry and livestock sectors drives producers to using higher-quality inputs in feed formulations. This is most evident within the poultry sector, now in an expansion mode to meet consumer demand for white meat perceived as a healthy protein source. Traditional feed rations are inadequate and contain little or no protein. Feed millers, increasingly conscious of meal quality, are applying soybean meal at an inclusion rate of 15 percent, up from the traditional 5-7 percent, thus creating a demand for higher quality protein meal. In the current budget the Government has reduced taxes and duties on imported poultry feed ingredients. For example duty on vitamins has decreased from 10 to 5 percent and the duty on feed milling equipment has been zero rated from a previous 5 percent. All poultry products are sales tax free.

Trade

Among imported meals, soybean meal is the most common with India holding the advantage in both price and freight. During MY 2005/06, soybean meal imports are projected to increase in response to greater domestic demand. Prospects of commercial trade with the USA is also forecast due to the removal of the taxation anomaly by the Govt. of Pakistan. In past years Pakistan has imported large quantities of soybeans under the USDA's 416(b) and PL-480 programs, and that is expected to continue into the future.

Table 7: Total Oil Meal Production, Supply and Demand

Country:	**Pakistan**					
Commodity:	**TOTAL OIL MEALS**					
	2003		2004		2005	
	Official	Estimate	Official	Estimate	Official	Forecast
Market Year Begin		10/2003	5173	10/2004		10/2005
Crush	3765	4139	122	5393	4641	4684
Extr. Rate, 999.9999	0.485259	0.476927	20.41803	0.473577	0.484378	0.523303
Beginning Stocks	0	0	0	0	0	0
Production	1827	1974	2491	2554	2248	2292
MY Imports	140	140	110	110	115	270
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1967	2114	2601	2664	2363	2562
MY Exports	21	2	3	3	3	4
MY Exp. to the EC	0	3	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	1946	2112	2598	2661	2360	2558
TOTAL Dom. Consumption	1946	2112	2598	2661	2360	2558
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	1967	2114	2601	2664	2363	2562
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 8: Cottonseed Meal Production, Supply and Demand

Commodity	Meal, Cottonseed				(1000 MT)	
	2003		2004		2005	
	Official	Estimate	Official	Estimate	Official	Estimate
Market Year Begin		10/2003		10/2004		10/2005
Crush	2791	2791	4182	4182	3625	3140
Extr. Rate, 999.9999	0.459692	0.459692	0.459828	0.460067	0.459862	0.459873
Beginning Stocks	0	0	0	0	0	0
Production	1283	1283	1923	1924	1667	1444
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1283	1283	1923	1924	1667	1444
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	1283	1283	1923	1924	1667	1444
TOTAL Dom. Consumption	1283	1283	1923	1924	1667	1444
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	1283	1283	1923	1924	1667	1444
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 9: Sunflower-seed Meal Production, Supply and Demand

Commodity	Meal, Sun-seed				(1000 MT)	
	2003		2004		2005	
	Official	Estimate	Official	Estimate	Official	
Market Year Begin		10/2003		10/2004		10/2005
Crush	251	653	222	506	228	535
Extr. Rate, 999.9999	0.438247	0.437979	0.441441	0.440711	0.438596	0.438182
Beginning Stocks	0	0	0	0	0	0
Production	110	286	98	223	100	235
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	110	286	98	223	100	235
MY Exports	21	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	89	286	98	223	100	235
TOTAL Dom. Consumption	89	286	98	223	100	235
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	110	286	98	223	100	235
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 10: Rapeseed Meal Production, Supply and Demand

Commodity	Meal, Rapseed				(1000 MT)	
	2003		2004		2005	
	Official	Estimate	Official	Estimate	Official	Forecast
Market Year Begin		10/2003		10/2004		10/2005
Crush	644	659	647	703	663	860
Extr. Rate, 999.9999	0.57764	0.576631	0.578053	0.577525	0.577677	0.577465
Beginning Stocks	0	0	0	0	0	0
Production	372	380	374	406	383	496
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	372	380	374	406	383	496
MY Exports	2	2	3	3	3	6
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	370	378	371	403	380	490
TOTAL Dom. Consumption	370	378	371	403	380	490
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	372	380	374	406	383	496
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 11: Soybean Meal Production, Supply and Demand

	2003		2004		2005	
	Official	Estimate	Official	Estimate	Official	Forecast
Market Year Begin		10/2003		10/2004		10/2005
Crush	79	36	122	2	125	149
Extr. Rate, 999.9999	0.78481	0.694444	0.786885	0.75	0.784	0.785235
Beginning Stocks	0	0	0	0	0	0
Production	62	25	96	1.5	98	117
MY Imports	140	140	110	110	115	270
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	202	165	206	111.5	213	387
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	202	165	206	111.5	213	387
TOTAL Dom. Consumption	202	165	206	111.5	213	387
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	202	165	206	111.5	213	387
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

OILS

Production

Pakistan is a deficit producer of edible oil, able to meet only 30-40 percent of consumption requirements despite efforts by the government to increase domestic production. MY 2005/06 oil productions is forecast to decrease by one percent over the previous year based on anticipated lower cottonseed and rapeseed production. As for domestic production, cottonseed oil accounts for 49 percent, rapeseed oil for 27 percent, and sunflower oil for 24 percent. The share of oil produced from domestic oilseeds is expected to decrease due to low productivity of cottonseed.

Consumption

MY 2005/06 edible oil consumption is forecast to increase by 4 percent based on economic growth and population expansion. “Ghee” (i.e., shortening) which accounts for 70 percent of oil usage, is produced totally from palm and cottonseed oil. There is a growing awareness of the negative health effects of saturated oils, particularly palm oil, and consumers are shifting, when they can afford it, from “ghee” to liquid oils.

Trade

Pakistan is one of the world’s major vegetable oil importers. Imported edible oils represent the fifth largest expenditure of foreign exchange by the country. In effort to address the toll on the country’s foreign exchange reserve, the government is encouraging domestic production of oilseeds and oil. Despite this rhetoric, production remains basically stagnant. The domestic market structure is inefficient, thus returns on oilseeds and by-products are weak and non-competitive with product sourced from the international market.

Pakistan is a price-sensitive market with relative prices for oils affecting the final import mix. Palm oil is the cheapest, thus the principal oil imported. With palm oil suppliers offering "flexibility" in contract terms and specifications the product is becoming even more attractive. However, with growing consumer awareness of the health qualities of vegetable oils, domestically produced liquid oils and a small portion of soybean oil is expected to garner a larger share in the Pakistani diet, at the expense of imported palm oil.

MY 2005/06 oil imports are forecast to increase by 7 percent to 1.48 MMT.

During MY 2004/05, oil imports remained 3 percent lower than the previous year due to increased local oilseed production. Increased Palm oil imports were attributed to greater availability of low-priced palm Olean, which is often blended with other liquid oils. In June 2002 the government lowered the import duty on palm Olean, making the duty at par with soybean oil. At the same time the duty on sunflower and rapeseed oils was raised which discouraged trade of such products.

Table 12: Oil Tariffs and Taxes

Commodity	Custom Duty	Central Excise Duty
RBD Palm Oil	Rs. 10,800	15 percent
RBD Palm Olein	Rs. 9,100	15 percent
RBD Soybean Oil	Rs. 10,200	15 percent
RBD Sunflower Oil	Rs. 16,800	15 percent
RBD Canola Oil	Rs. 18,000	15 percent

Stock

Typically Pakistan retains oil stocks levels equivalent to two months supply. Stocks are held both by producers and traders.

Table 13: Total Oil Production, supply and Demand

Country:	**Pakistan**					
Commodity:	**TOTAL OILS**					
		2003		**2004**		**2005**
	USDA Offic	Rev Est	USDA Offic	Estimate	USDA Offic	Forecast
Market Year Begin		**10/2003**		**10/2004**		**10/2005**
Crush	3765	4021	5173	5393	4641	4684
Extr. Rate	0.162284	0.179309	0.144597	0.159466	0.15083	0.175121
Beginning Stocks	107	198	108	166	117	161
Production	611	721	748	860	700	844
MY Imports	1347	1420	1470	1382	1575	1480
MY Imp. from U.S.	2	20	5	20	10	30
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	2065	2339	2326	2408	2392	2485
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	97	117	102	92	102	99
Food Use Dom. Consump.	1782	2012	2024	2151	2081	2212
Feed Waste Dom.Consum.	28	70	31	17	32	32
Total Dom. Consumption	1907	2199	2157	2260	2215	2343
Ending Stocks	108	140	117	148	118	142
TOTAL DISTRIBUTION	2015	2339	2274	2408	2333	2485
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 14: Cottonseed Oil Production, Supply and Demand

PSD Table						
Country	**Pakistan**					
Commodity	**Oil, Cotseed**				(1000 MT)	
		2003		2004		2005
	Official	Estimate	Official	Estimate	Official	Forecast
Market Year Begin		10/2003		10/2004		10/2005
Crush	2791	2791	4182	4182	3625	3140
Extr. Rate, 999.9999	0.100681	0.100681	0.10067	0.10067	0.10069	0.100637
Beginning Stocks	10	10	10	15	13	13
Production	281	281	421	421	365	316
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	291	291	431	436	378	329
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	26	26	29	27	28	27
Food Use Dom. Consump.	252	262	385	409	335	302
Feed Waste Dom. Consum	3	3	4	0	4	0
TOTAL Dom. Consumption	281	276	418	396	367	319
Ending Stocks	10	15	13	13	11	10
TOTAL DISTRIBUTION	291	291	431	409	378	329
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 15: Sunflower-seed Oil Production, Supply and Demand

Commodity	Oil, Sunseed				(1000 MT)	
	2003		2004		2005	
	Official	Estimate	Official	Estimate	Official	Forecast
Market Year Begin		10/2003		10/2004		10/2005
Crush	251	535	222	506	228	535
Extr. Rate, 999.9999	0.398406	0.398131	0.400901	0.401186	0.399123	0.4
Beginning Stocks	3	0	4	4	5	5
Production	100	213	89	203	91	214
MY Imports	0	0	10	0	15	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	103	213	103	207	111	219
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	99	209	98	202	100	214
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	99	209	98	202	100	214
Ending Stocks	4	4	5	5	5	5
TOTAL DISTRIBUTION	103	213	103	207	105	219
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 16: Rapeseed Oil Production, Supply and Demand

Commodity	Oil, Rapeseed				(1000MT)	
	2003		2004		2005	
	Official	Estimate	Official	Estimate	Official	Forecast
Market Year Begin		10/2003		10/2004		10/2005
Crush	644	659	647	703	663	860
Extr. Rate, 999.9999	0.335404	0.335357	0.335394	0.335704	0.334842	0.335211
Beginning Stocks	16	15	17	17	17	17
Production	216	221	217	236	222	288
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	232	236	234	253	239	305
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	6	6	7	6	7	6
Food Use Dom. Consump.	208	212	209	229	213	280
Feed Waste Dom. Consum	1	1	1	1	1	1
TOTAL Dom. Consumption	215	219	217	236	221	287
Ending Stocks	17	17	17	17	18	18
TOTAL DISTRIBUTION	232	236	234	253	239	305
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 17: Soybean Oil Production, Supply and Demand

Commodity	Oil, Soybean				(1000 MT)	
	2003		2004		2005	
	Official	Estimate	Official	Estimate	Official	Forecast
Market Year Begin		10/2003		10/2004		10/2005
Crush	79	36	122	2	125	149
Extr. Rate, 999.9999	0.177215	0.166667	0.172131	0	0.176	0.174497
Beginning Stocks	8	20	5	7	7	13
Production	14	6	21	0	22	26
MY Imports	50	50	60	85	60	80
MY Imp. from U.S.	2	20	5	20	10	30
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	72	76	86	92	89	119
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	10	2	10	2	10	3
Food Use Dom. Consump.	55	66	67	76	69	98
Feed Waste Dom. Consum	2	1	2	1	2	1
TOTAL Dom. Consumption	67	69	79	79	81	102
Ending Stocks	5	7	7	13	8	17
TOTAL DISTRIBUTION	72	76	86	92	89	119
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 18: Palm Oil Production, Supply and Demand

Commodity	Oil, Palm				(1000 MT)	
	2003		2004		2005	
	Official	Estimate	Official	Estimate	Official	Forecast
Market Year Begin		10/2003		10/2004		10/2005
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Trees	0	0	0	0	0	0
Beginning Stocks	70	168	72	123	75	113
Production	0	0	0	0	0	0
MY Imports	1297	1370	1400	1297	1500	1400
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1367	1538	1472	1420	1575	1513
MY Exports	50	0	52	0	53	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	55	62	56	57	57	61
Food Use Dom. Consump.	1168	1338	1265	1235	1364	1316
Feed Waste Consumption	22	15	24	15	25	15
TOTAL Dom. Consumption	1245	1415	1345	1307	1446	1392
Ending Stocks	72	123	75	113	76	121
TOTAL DISTRIBUTION	1367	1538	1472	1420	1575	1513
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0